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Second country cooperation framework for Mongolia (2002-2006)

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Introduction

1. The second country cooperation framework (CCF) for Mongolia for the five-year period 2002-2006 was prepared in early 2001 by the staff of the UNDP Mongolia country office in consultation with their colleagues within the Government, United Nations agencies, the donor community and civil society. Draft documents were reviewed by the Government of Mongolia, UNDP headquarters, embassies in both Ulaanbaatar and Beijing, and non-governmental organizations (NGOs) working in Mongolia. A national CCF review meeting co-chaired by the Ministry of Foreign Affairs was held in Ulaanbaatar in May 2001.

I. Development situation from a sustainable human development perspective

2. Mongolia is a vast land with a climate characterized by extreme cold and little rain. At 1.6 million square kilometres, Mongolia is roughly three times the size of France, but with only 2.4 million people, its population density is only 1.5 persons per square kilometre, the lowest of any country. The average January temperature in Ulaanbaatar is –18°C, making it the coldest capital on earth. At the same time, Ulaanbaatar receives only 290 mm of rain per year, two-thirds of which falls during the short summer, making Mongolia one of the driest countries as well. Thus, despite of vast land resources, agricultural productivity remains low.

3. Mongolian history in the last century is marked by two serious events centred on socialism: the nationalist revolution of 1921 with the socialist movement that followed, and the collapse of the Soviet Union and the Mongolian socialist government in the early 1990s. The past decade has been a difficult period of transition for the country, from a highly subsidized ally of the former Soviet Union to a democratic government supporting the principles of market economics.

4. Taken together, the historical, demographic, and geographic characteristics of Mongolia described above have left it vulnerable in many areas: to the vagaries of climate, as evidenced most recently by two successive years of drought and severe winters that killed 5 million head of livestock: the inherent limitations of the low productivity of its land and the threat of environmental disturbances; and its geo-political situation between two economic and political giants, the Russian Federation to the north and China to the south. Taken together, these vulnerabilities add to the greatest challenge of all: ensuring that the political, economic and social transformations of the past decade benefit all Mongolians.

A. Political transition

5. The political transition of the early 1990s in Mongolia was accomplished peacefully and has been followed by 10 years of democratic governance and the strengthening of democratic institutions. A new Constitution was ratified in 1992 and. parliamentary elections were held without incident in 1992, 1996 and 2000. The mass media have been liberalized, many NGOs have been formed, and Mongolia has deepened its ties with the global community.

6. Most recently, a revamped Mongolian People's Revolutionary Party (MPRP), which governed Mongolia during the socialist era, won 72 of 76 seats in Parliament with 83 per cent of the electorate turning out in July 2000. Now, recognizing the essential role of democratic pluralism, market economics and broad participation in national development, the MPRP-dominated government has made "good governance for human security" the centrepiece of its national programme. An independent national human rights commission has recently been established. The Government's Good Governance for Human Security programme encourages involving the private sector, mass media, academia and NGOs in meeting the country's aspirations.

7. Yet, many problems remain. First, there have been signs of increasing corruption and inequity, indicating a need to deepen the rule of law and systems of transparency, accountability and responsiveness in both governmental as well as

private institutions. Second, there is a great divide between urban (i.e., Ulaanbaatar, home to one-third of the population) and rural areas with regard to democratic awareness and action. Whereas civil society has developed rapidly in Ulaanbaatar, many rural areas still lack the meaningful participation of people in government and development processes. Third, gender inequality remains a fact of life. Women hold only 8 seats in the 76-member Parliament and none of the 9 ministerial or 22 gubernatorial seats. Finally, although energetic and vibrant, the mass media have yet to reach the level of maturity needed in a democratic society.

B. Economic transition

8. The political transition of the 1990s was accompanied by a radical shift to market economics and, as was the case for other economies in transition, key economic indicators crashed during the early 1990s. Mongolia's annual inflation rate rose to 325 per cent in 1992, while the economy as a whole shrank 10 per cent both in 1991 and 1992. The primary causes for this were the withdrawal of subsidies from the Russian Federation and the collapse of markets among the country's traditional socialist trading partners.

9. According to the living standards measurement survey conducted by the National Statistics Office, about 36 per cent of the Mongolian population is now living in poverty. Indicators for income disparity and depth of poverty are worsening, signaling major challenges for the country. The banking and financial systems in Mongolia remain weak and in many markets have collapsed altogether, and the macroeconomy is unstable. While inflation is under control and economic growth positive, deficit spending grew to 33 per cent of government revenues in 1999, representing a full 13.6 per cent of the gross domestic product (GDP). The legal and regulatory framework for corporate governance remains inadequate to the demands of a market economy. While many companies have been privatized and a stock market established, transparency in management and consistency in financial reporting remain low. This has resulted in the country's inability to attract foreign direct investment. Mongolia's environment is under threat: the rates of desertification and deforestation have increased in recent years due to the decentralization of the economy and a rise in informal logging, mining and related activities. This is especially problematic because regeneration is extremely low due to the harsh climate. Mongolia also has one of the poorest records in Asia regarding energy efficiency, which contributes to severe air pollution in urban centres in the winter, a condition that is exacerbated by the extreme cold and the legacy of central planning and outdated machinery.

10. Perhaps most importantly, the large and important livestock sector remains moribund. It is true, however, that the contribution of agriculture to the GDP grew from 16 per cent in 1990 to 33 per cent in 1998. The number of livestock also grew from 25.9 million in 1990 to 33.6 million in 1998. Agricultural cooperatives had formerly provided agricultural inputs (veterinary services, marketing channels, breeding programmes and pasture wells) as well as social services (schools, health clinics, pensions, etc.) to their members. With the collapse of these cooperatives, growing the herd has been the only form of insurance available to many people in rural areas. Herding remains largely a subsistence activity, with livestock products accounting for only 3 per cent of the value of exports in 1999. Moreover, the growing herd may be threatening its own existence: overgrazing and land degradation contributed to the winter disasters of 1999-2001 that killed an estimated 5 million animals, which has directly threatened Mongolia's food security.

11. Finally, Mongolia is increasingly dependent on external assistance. Commitments of official development assistance grew to $267 million in 2000, up from $190 million in 1991. Since 1990, donors have committed a total of $2.636 billion and Mongolia has disbursed $1.879 billion. The country's debt burden is currently equal to 75 per cent of the GDP, and servicing this debt will amount to an estimated 12 per cent of the GDP beginning in 2001. If Mongolia is to develop freely, independently and sustainably, these trends must be curtailed.

C. Prospects for sustainable human development

12. Mongolia has made great progress during the past decade in developing a free and democratic society and stabilizing its economy. Unfortunately, the benefits of these developments have not included everyone. In terms of education, the

completion rate for eight years of basic schooling fell from 87 per cent in 1990 to 64 per cent in 1999. Surprisingly, 29 per cent of 12-15 year-old boys are not enrolled in school. By the tenth grade, 62 per cent of students are girls, and 65 per cent of university degrees are awarded to women. The low representation of males in the formal educational system will have serious consequences for the future development of the country.

13. In terms of health, overall life expectancies in Mongolia increased from 63.7 years in 1990 to 65.1 years in 1998. This was due primarily to a drop in child mortality rates from 94.7 per 1,000 live births in 1990 to 47.8 per 1,000 in 1998. Despite these positive developments, the health sector has many obstacles to overcome. Mortality rates for cardiovascular disease and cancer quadrupled between 1980 and 1997 due in part to changing lifestyles and increased stress. These negative developments will ultimately limit the ability of many to contribute fully to the welfare of their own families as well as to the overall development of Mongolia.

14. In terms of incomes, real GDP per capita, adjusted for purchasing power parity, fell from $1,640 in 1990 to $1,267 in 1995, and then rebounded to $1,356 in 1998. However, this comes at the cost of increasing disparities. While it appears that poverty levels in Ulaanbaatar and rural Mongolia have remained fairly constant over the past few years, they have increased significantly in urban areas outside Ulaanbaatar, affecting more than 45 per cent of the urban population in these areas, according to the living standards measurement survey. This survey also suggests that unemployment could be as high as 19 per cent nationwide and 30 per cent in urban areas.

15. According to the 2000 Human Development Report, the country's human development index (HDI) fell from 0.652 in 1990 to 0.626 in 1992; it then rebounded to 0.635 in 1995 and back to 0.651 in 1998, almost exactly the same level as in 1990. In 2000, Mongolia ranked 117th out of 174 countries worldwide.

16. In spite of the negative trends discussed above, the prospects for improving Mongolia's human development position are positive given the Government's commitment to equitable development. This commitment has been clearly spelled out in the Good Governance for Human Security programme of action. The notion of "human security" supported by this programme is the same as the one developed in the global 1994 Human Development Report by UNDP. It goes beyond simple physical or national security and encompasses a wider range of human needs and rights. The programme has been approved by Parliament, adopted by a Cabinet resolution in October 2000, and its implementation is led by the Prime Minister. It thus forms the basis upon which the proposed CCF is built. The Good Governance for Human Security programme consists of 11 priority goals in the areas of: (a) political development – to protect human rights, ensure accountability, develop a democratic society, and devolve power; (b) social development – to support equitable development and reduce poverty; (c) economic development – to stabilize the macro-economy, rehabilitate the financial system, restore national industries, rehabilitate infrastructure, and support regional development; and (d) environmentally sustainable development – to balance development and environmental conservation, intensify land reform, and reduce air, water and land degradation.

II. Results and lessons of past cooperation

17. The main objective of the first CCF (1997-2001) for Mongolia was the formation of a "partnership for progress". The first CCF had programmes in the areas of governance, poverty alleviation and natural resource management. A country review of the first CCF was undertaken in January 2000 based on cluster evaluations that had been conducted in these three areas.

18. The country review commended the governance and economic transition programme of UNDP for expanding its coverage to include mass media, academia, NGOs, the private sector, Parliament and the judiciary during the first CCF. It also commended the sustainable human development programme for producing concrete results through the national poverty alleviation programme and MicroStart, an innovative microcredit programme. And it commended the environment and natural resources management programme for mobilizing more funds for Mongolia than the other two UNDP programmes combined.

19. On the other hand, the country review found that real community participation in the governance and economic transition programme was limited and suggested a stronger focus on local-level implementation rather than upstream activities. It suggested that new initiatives be pursued in the areas of human rights, parliamentary strengthening, anti-corruption measures, aid coordination and private sector development. It further recommended that UNDP strengthen local-level initiatives within the sustainable human development programme based on lessons learned from its successful projects, and disseminate them through information and communication technology (ICT) networks. It recommended strengthening the initiatives of UNDP in the area of HIV/AIDS. The country review noted that the environment and natural resources management programme was fragmented and did not address Mongolia's needs in an integrated manner and suggested that UNDP play a catalytic role in two important areas in the future: improving coordination and information exchange and promoting multisectoral approaches to environmental management.

20. The UNDP country office in Mongolia has taken the recommendations of the country review into account in developing its ongoing programme. In line with a growing emphasis within UNDP in providing solid policy support to governments, it will also use downstream interventions to gain hands-on empirical knowledge upon which policy advice can be based. Thus, UNDP will expand successful grass-roots initiatives such as the MicroStart project and incorporate these lessons into the Government's Good Governance for Human Security programme.

21. Over the past years, Mongolia has realized the importance of participating in regional development bodies. It has now joined the World Trade Organization (WTO) and is seeking a seat on the Asia-Pacific Economic Council (APEC). But landlocked and isolated between China and the Russian Federation, it has little power to negotiate with potential partners on trade and development issues. UNDP will therefore support Mongolia in strengthening mechanisms for regional development. Examples are the ongoing Tumen river area development programme and the country's potential participation in the Silk Road initiative.

22. In terms of gender equity, UNDP introduced a strategy for mainstreaming gender into its programmes during the first CCF. Some progress is being made in building the capacities of government agencies and NGOs in this area, starting with the many small loans that are being made to poor women through the women's development fund.

III. Objectives, programme areas and expected results

23. The overarching goal of UNDP in Mongolia is to promote equitable and sustainable development. This will be achieved by galvanizing national action through the demonstration of best practices in the fields of governance, economic and social development, and natural resource management. Best practices are to be developed on the ground through UNDP-supported projects and programmes, which will, through their links with the relevant national authorities, be incorporated into national policy development. These lessons will be disseminated within the United Nations system as well as among the international donor community.

24. The programme of UNDP in Mongolia is based on the United Nations Common Country Assessment (CCA) and the United Nations Development Assistance Framework (UNDAF). The goals of the UNDAF are to: (a) strengthen basic social services; (b) promote equitable economic development; (c) support good governance; (d) help protect the environment; and (e) strengthen the national disaster management system. Based on its own strategic results framework, the UNDP programme has been designed to address most of these goals except for those in the social sector, which are being addressed by other United Nations agencies. As a partner of the Government, the programme of the UNDP has also been designed to support the national Good Governance for Human Security programme.

25. UNDP will provide support in three thematic areas: democratic governance, economic transition and poverty reduction, and sustainable natural resource management, each of which will complement the other. Improved governance will ensure that economic development is equitable and that resources are managed wisely. Poverty reduction will strengthen support for democratic institutions and reduce threats to the natural environment. Sustainable natural resource management use will preserve the foundations of the economy. Cross-cutting issues such as advocacy, partnerships,

gender equity, aid coordination and resource mobilization will be addressed through all programmes, with linkages at national and regional levels.

A. Democratic governance

26. The first thematic area of UNDP is democratic governance. Its objectives are to promote broad participation in policy dialogue, people's empowerment, and increased accountability, transparency and responsiveness on the part of governing institutions. These objectives are in line with the third goal of the UNDAF. Within this thematic area, UNDP has two programmes: public policy development and legal and institutional development.

Public policy development

27. The goal in the area of public policy development is to ensure that public policy is developed through broad public participation in order to widen development choices for sustainable and equitable growth. It is in line with priority 10 of the Good Governance for Human Security programme, namely, "to remove the governance crisis and create good governance for human security". The expected results of this programme are as follows:

(a) National consensus on policy priorities established within the framework of the Good Governance for Human Security programme based on the broad participation of the public and private sectors, civil society and the media.

(b) The sustainability of the Good Governance for Human Security programmes ensured through the mobilization and allocation of national resources to support high priority initiatives that promote human development and equitable growth.

(c) The concepts of human security and development mainstreamed into national development through the production of high quality national human development reports based on national debate.

Legal and institutional development

28. The goal in the area of legal and institutional development is to support legal reform and institutional development for effective implementation of national policies that promote human rights, transparency and accountability as a necessary prerequisite to equitable development. This programme is in line with priority 11 of the Good Governance for Human Security programme, namely, "to develop democratic civil society with strong ethics to secure citizens' fundamental rights, freedoms and democratic principles". The expected results of this programme are as follows:

(a) Human rights further protected through the development of a national human rights action programme based on broad public participation and consultation, the implementation of which will be effectively monitored by a strengthened national human rights commission and other relevant organizations.

(b) The problem of corruption diminished through the formulation and implementation of an anti-corruption law and a national programme for combating corruption.

(c) The capacities of key democratic institutions (the national Parliament, local assemblies, the judiciary, etc.) strengthened to conduct their legislative, oversight and representational functions more effectively.

(d) Government capacities to manage external assistance effectively strengthened through joint UNDP-Government programmes and actions focused on aid coordination.

B. Economic transition and poverty reduction

29. The second thematic area of UNDP assistance is economic transition and poverty reduction. The objectives in this area are to ensure broad-based and sustainable economic growth, equitable distribution of the fruits of development, and poverty reduction, which are in line with second goal of the UNDAF. Within this thematic area, UNDP has two programmes: poverty reduction and economic revitalization.

Poverty reduction

30. The goal in the area of poverty reduction is to support the Government in developing and implementing national poverty reduction policies and strategies. This programme is in line with priority 6 of the Good Governance for Human Security programme, namely, "to reduce poverty and unemployment, optimize income distribution and improve living standards," and priority 5, "to create an equal environment for human development". The expected results of this programme are as follows:

(a) The prospects for poverty reduction and equitable development increased through strengthened government capacities to: (i) analyse the root causes of poverty; (ii) set economic, fiscal, social, and gender policies; and (iii) implement effective policies based on consultations under the Good Governance for Human Security programme.

(b) Finances more readily available for poor people in urban areas through the elaboration of national policies and strategies on microfinance, based on the success of the MicroStart programme. Financing more readily available in rural areas through testing and replicating innovative approaches for microfinance.

(c) Employment created through testing and replicating approaches for developing and/or transferring skills within the private sector.

(d) The threat of HIV/AIDS and alcoholism reduced through joint action with other United Nations agencies.

Economic revitalization

31. The goal in the area of economic revitalization is to build capacities within the private sector to adapt better to the market economy and to stimulate broad-based, equitable growth in line with priority 3 of the Good Governance for Human Security programme, namely, "to facilitate economic growth by restoring national industry and supporting export-oriented industry," and priority 4, "to support regional and rural development and promote infrastructure". The expected results of this programme are as follows:

(a) The prospects for economic revitalization in rural areas increased through the development of models focusing on livestock as the basis of the rural economy. These models will include components on community organization, land tenure, animal husbandry, veterinary services, pasture and water management, rural finance, processing industries, marketing and information.

(b) The private sector strengthened in terms of business management, corporate governance, foreign investment, technology transfer, and marketing know-how. This effort will focus on industries with the greatest positive impact on employment and income generation for poor people.

(c) ICT playing a greater role in economic development and employment creation through UNDP support for policy formulation, development of public and private partnerships, and implementation of pilot projects in cross-border electronic services.

C. Sustainable natural resource management

32. The third thematic area for UNDP support is sustainable natural resource management. The main objectives in this area are to: (a) build national and local capacities to attain a balance between environmental protection and development; and (b) reduce vulnerability to natural disasters. These objectives are in line with the fourth and fifth goals of the UNDAF. Within this thematic area, UNDP has three programmes: sustainable resource management, pollution control and energy efficiency, and disaster management.

Sustainable resource management

33. The goal in the area of sustainable resource management is to ensure that environmental considerations are integrated into planning and development processes at national, regional and local levels through multisectoral approaches in line with priority 7 of the Good Governance for Human Security programme: to promote "sustainable development by harmonizing the protection of biodiversity with regional socio-economic development". The expected results of this programme are:

(a) The management of the Mongolian ecosystem improved based on a model of sustainable management developed in the eastern steppes region through cooperation between local and central governments, the private sector and local communities. This programme will collaborate with the Tumen river area development programme, and the model will be expanded and adjusted for implementation in the Altai-Sayan and greater Gobi regions.

(b) The threat to Mongolia's grasslands and livestock sector decreased through the refinement and expansion of a model for sustainable livestock management at the community level. This work will be based on lessons learned under the previous projects and in conjunction with programmes on economic revitalization outline above.

(c) Funding for environmental conservation activities increased through expansion of the Mongolian environmental trust fund.

Pollution control and energy efficiency

34. The goal in the area of pollution control and energy efficiency is to support initiatives that will use energy resources more efficiently and reduce pollution which is in line with priority 9 of the Good Governance for Human Security programme: "to improve the living environment by reducing air, water and soil pollution in urban areas". The expected results of this programme are:

(a) Appropriate technologies for energy efficiency introduced and adopted in the building sector.

(b) Approaches for the commercialization of renewable energies, such as small-scale wind and solar power, developed, tested and replicated.

Disaster management

35. The goal in the area of disaster management is to strengthen the country's system for managing the large-scale natural disasters to which is it prone. The expected results of this programme are:

(a) The threat of natural disasters decreased through strengthening the national civil defense board and related organizations at all levels in the field of natural disaster management, especially with regard to winter ordeals (*dzud)* that involve large-scale debilitation and death of livestock.

(b) The potential impact of future *dzud* reduced through the development of models of sustainable livestock and pasture management.

D. Cross-cutting interventions

Advocacy

36. Advocacy will be instrumental in positioning UNDP as a major development partner in Mongolia. It will create better understanding and support for UNDP activities among the general public, stakeholders, national and international partners and donors.

Partnerships

37. In terms of partnerships, UNDP will work closely with the Government of Mongolia to ensure that its programmes and projects are in line with government priorities as spelled out in the Good Governance for Human Security programme. However, partners will extend beyond the Government to include bilateral donors, international NGOs, the private sector and civil society organizations.

38. UNDP will also work with other United Nations agencies in working to achieve the goals specified in the UNDAF, particularly those related to equitable access to social services. For example, UNDP will work with UNFPA, UNICEF and WHO to coordinate their efforts in the prevention of sexually transmitted infections, including HIV/AIDS, and with FAO, UNIDO and ILO to address environmental objectives in the UNDAF. Finally, all United Nations agencies will work together through the United Nations disaster management team to coordinate their efforts in disaster management.

39. The country programme will also draw on the regional programmes of UNDP in its three thematic areas. Areas of particular focus will be Mongolia's integration into regional and global economies, strengthening its negotiating power and accessing knowledge networks in order to develop effective polices and institutions.

Gender equity

40. Gender concerns will be integrated into all aspects of programme and project development by UNDP. The main focus will be to strengthen the Government, the legislature and civil society organizations to advocate for gender equality. UNDP will continue to support both the governmental and non-governmental sectors in developing gender-sensitive policies and programmes. In particular, UNDP will support the Government in strengthening its capacities to produce sex-disaggregated data in key official statistics.

Aid coordination

41. UNDP will continue to play a key role in aid coordination, both at the national level and in local areas. At present, UNDP hosts a donor group comprised of major bilateral donors with in-country representation (Germany, Japan, United Kingdom, United States and others) as well as the World Bank and the Asian Development Bank. It also facilitates broader donor coordination through support to the consultative group process, to international NGOs working in Mongolia, and to embassies and organizations that cover the country from Beijing. This support will continue to be provided in the form of policy advice and information exchange.

42. UNDP will continue to support aid coordination in Mongolia. Its focus will be on strengthening the Government's ability to set, implement and monitor policies on official development assistance. The primary goal of UNDP is to assist the Government in creating a framework for the use of international development assistance that all donors can support.

Resource mobilization

43. The UNDP programme will grow during the period of the second CCF as a result of concerted efforts in resource mobilization through close dialogue with potential project partners and the development of high-quality proposals. UNDP will also explore new approaches to resource mobilization from the non-governmental and private sectors, the general public, and trust funds. UNDP will also ensure that domestic (i.e., government) resources are mobilized in support of its projects and programmes, as an indication of full government commitment.

IV. Management arrangements

44. The Government of Mongolia will oversee the implementation of the CCF, while the UNDP country office will be responsible for day-to-day management in consultation with its programme partners. The primary national counterpart of UNDP will remain the Ministry of Foreign Affairs, which has overall responsibility for the Government's relationships with bilateral, multilateral and international organizations. As the Ministry of Finance and Economy has responsibility for coordinating official development assistance in Mongolia, UNDP will work closely with it in developing and carrying out its programmes as well.

45. UNDP and the Government will jointly monitor implementation of the CCF in line with mechanisms already established to monitor the Good Governance for Human Security programme and the UNDAF. This will be accomplished in part by the United Nations resident coordinator's participation on the programme advisory committee on the Good Governance for Human Security programme and the donor coordination committee and in part by the support of UNDP to the component working groups.

46. The principal method of project execution in Mongolia will remain national execution. In carrying out the second CCF however, UNDP will attempt to identify suitable executing agencies at the local level (for example, local governments or regional authorities) and within the private sector and civil society. A small number of projects may be executed directly by the UNDP country office.

47. Partly as the result of a re profiling exercise undertaken by the UNDP country office in Mongolia in December 2000, a large part of its operations division will be separated from UNDP to form a United Nations business centre. The business centre will provide operations support to all United Nations agencies working in Mongolia and will include services related to recruitment, procurement, travel and transportation, and physical facilities.

48. Finally, UNDP Mongolia will also take advantage of the network of regional and subregional resource facilities (SURFs) during the CCF period for programme assessment, project development and policy advice. It will secure these services when and as needed, especially from the Bangkok SURF (which focuses on governance, poverty alleviation, environment and advocacy) and the Bratislava SURF (which focuses on the special problems of economies in transition).

Annex

Resource mobilization target table for Mongolia (2002-2006)

Source	*Amount (In thousands of United States dollars)*	*Comments*
UNDP regular resources		
Estimated carry-over	1 324	
TRAC 1.1.1	4 005	Assigned immediately to country.
TRAC 1.1.2	0 to 66.7 per cent of TRAC 1.1.1	This range of percentages is presented for initial planning purposes only. The actual assignment will depend on the availability of high-quality programmes. Any increase in the range of percentages would also be subject to availability of resources.
SPPD/STS	208	
Subtotal	**5 537** [a]	
UNDP other resources		
Third party cost-sharing	11 300	
Funds, trust funds and other	12 300	
	of which:	
GEF	9 300	
Other trust funds	3 000	
Subtotal	**23 600**	
Grand total	**29 137** [a]	

[a] Not inclusive of TRAC 1.1.2, which is allocated regionally for subsequent country application.

Abbreviations: GEF = Global Environment Facility; SPPD = support for policy and programme development; STS = support for technical services; TRAC = target for resource assignment from the core.

Note: Approximately 40 per cent of the above resources will be allocated to environment and natural resource management, largely due to the ability of UNDP to mobilize resources from GEF. The remaining 60 per cent will be divided evenly between democratic governance and economic transition and poverty reduction.